

Remarks

By this amendment, claims 1-16, 27-33, 35-40, 46-48, 51-52, 54, and 62 are cancelled without prejudice or disclaimer. Claims 17-26, 34, 41-45, 49-50, 53, 55-58, and 61 have been amended, and claims 59-60 remain in their original form. New claims 63-66, with claims 63 and 65 being in independent format, are added and hereby introduced for examination upon the merits. Claims 17-26, 34, 41-45, 49-50, 53, 55-61, and 63-66 are thus currently pending, with claims 63 and 65 being the remaining two independent claims. The dependent claims have been amended as necessary to retain dependency from claims 63 or 65.

No new matter has been introduced through these amendments.

In the Office Action of April 5, 2007 (hereafter, the “Office Action”), all claims stood rejected under 35 U.S.C. § 103(a) as being unpatentable for allegedly being obvious over the teachings of U.S. Patent App. Pub. No. 2001/0049634 A1 to Stewart (henceforth, “Stewart”) in view of U.S. Patent No. 5,903,873 to Peterson et al. (henceforth, “Peterson”) and in further view of U.S. Patent App. Pub. No. 2006/0080200 A1 to Ashton et al. (henceforth, “Ashton”).

In light of the amendments herein, all claims are believed to be allowable for the reasons set forth in the remarks below. Reconsideration and favorable action is requested.

I. INTERVIEW SUMMARY

Applicant gratefully acknowledges the courtesies extended by Examiner Backer to Applicant’s representatives David Nelson and Matthew Levy during the May 22, 2007 personal interview. The points discussed during the interview are generally incorporated herein. However, Applicant wishes to state for the record the key points raised during the interview.

Applicant’s representatives explained in the interview that Stewart did not teach the type of four component system that produces a trusted market place according to the present invention. As depicted in Fig. 1 and Fig. 2 of Applicant’s disclosure (and defined in Applicant’s various independent claims), the various claimed embodiments of the invention included one or more business entities (e.g., group benefit providers), a central administrator server, a plurality of network entities (e.g., employers), and networked consumers (employees). In contrast, Stewart disclosed only a three component system involving buyers, sellers, and an auction system enabling sales to occur between the buyers and sellers. Neither Peterson nor Ashton

provided any teaching for modifying Stewart to produce a four component system similar to Applicant's.

Further, Applicant's representatives noted to the Examiner that Stewart was completely silent with respect to any of the specific structure (including servers, databases, and authentication systems) recited in Applicant's claims, and that this structure in part enables Applicant's four component system to operate effectively as a trusted market place for group benefit plans as taught in Applicant's specification. Rather, Stewart merely shows and describes a single flow chart which describes various general steps of a process for performing a two-party transaction. No structure of any specific type is described in Stewart, or made obvious by the teachings of the two secondary references.

The Examiner conceded that Applicant's disclosed four component system appeared to have important distinctions over the cited prior art, but nonetheless requested that the claims be simplified to facilitate reconsideration. Specifically, the Examiner suggested that the claims be rewritten to more clearly delineate the four component system and related structure depicted in Applicant's Fig. 1 and Fig. 2. While Applicant believes that the independent claims within prior pending claims 16-62 were clear and concise and specifically directed to the particular subject matter of Fig. 1 and Fig. 2, Applicant nonetheless has herein cancelled all previous independent claims and introduced new independent claims 63 and 65 for examination upon the merits and has significantly simplified and reduced the number of dependent claims.

This action was taken to facilitate reconsideration by the Examiner. Applicant notes for the record, however, that the currently pending claims contain many of the same limitations present in the previously pending claims, and thus are allowable over the prior art for the same reasons previously made of record. These reasons are briefly restated for the record below.

II. CLAIMS 63 AND 65 DEFINE PATENTABLE SUBJECT MATTER PURSUANT TO 35 U.S.C. § 103

The Office Action rejected previously pending claims 16-62 under 35 U.S.C. § 103(a) as being unpatentable over Stewart in view of Peterson in further view of Ashton. Applicant respectfully submits that new independent claims 63 and 65 are distinguishable over Stewart, Peterson, and Ashton, either singly or in combination.

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, the

prior art reference (or references when combined) must teach or suggest all the claim limitations. Second, the Examiner must explain the rationale, either in the references themselves or with explanation regarding the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Finally, there must be a reasonable expectation of success. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in the applicant's disclosure. MPEP 2143 (citing *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991)). The Board of Patent Appeals and Interferences has stressed that the need for the Examiner to provide fully articulated and well-supported reasoning for combining references and making an obviousness rejection was not diminished by the Supreme Court's recent decision in *KSR International Co. v. Teleflex Inc.*, 127 S. Ct. 127 (2007). See *Ex parte Catan*, Appeal 2007-0828 (Bd. Pat. App. & Interf., July 3, 2007). Applicant respectfully submits that none of these criteria are satisfied.

A. The prior art references fail to teach all of the features of the present invention

1. Stewart's teachings are limited to its text

While the Examiner has slightly modified its citations to portions of Stewart, Applicant still submits that this reference is incomplete and teaches much less than suggested by the Examiner. First, as noted previously by the Applicant, Stewart's written disclosure refers to 5 different figures while the publication document and non-provisional application as filed contains only Figure 1. Any omitted figures or text from Stewart's provisional application, and all features they teach or disclose, cannot be carried forward into the Stewart publication and used by the Examiner as a basis for making any obviousness rejection of Applicant's claims. See *In re Lund*, 376 F.2d 982, 988-89 (C.C.P.A. 1967) (holding that without an express incorporation by reference a specific example in the abandoned prior application did not carry forward into the continuation-in-part application that did not otherwise disclose that specific example). For any priority document utilized to establish an effective prior art date for a patent or patent publication relied upon by Examiner under section 102(e), that priority document must disclose, sufficiently to comply with the written description requirement of section 112, the material in the patent or publication ultimately relied upon by the Examiner in that rejection. See *In re Wertheim*, 646 F.2d 527, 536-37, 209 USPQ 554, 563-64 (CCPA 1981); accord *Ex parte Ashkenazi*, 2005 WL 3694317, *2-3 (Bd. Pat. App. & Interf., Oct. 20, 2005) (recognizing the current applicability of the standard of *In re Wertheim*). Further, in *Lockwood v. American*

Airlines, Inc., 107 F.3d 1565, 1571-72, 41 USPQ2d 1961, 1966 (Fed. Cir. 1997), the Federal Circuit held that the section 112 written description requirement, when applied for purposes of determining entitlement to a priority claim under 35 U.S.C. § 120, requires one to focus on what each of the priority specifications actually disclose, and not on what would have been obvious to a person skilled in the art from the priority disclosure. Thus the Examiner may only rely on Stewart as published and may not rely either explicitly or implicitly on understandings gained from the disclosures in the Stewart provisional application (e.g., Figures 1, 2, 4, or 5) that are not explicitly carried forth into the Stewart non-provisional publication document.

Second, Applicant noted that Stewart is internally inconsistent between its figures and text. In rejecting various ones of Applicant's prior pending independent claims, the Office Action contains vague references to Stewart Figure 1 in asserting that Stewart discloses a computer network. Paragraph [0006] of Stewart, however, states that Figure 1 shows "a simplified flow diagram representative of a typical metals industry supply chain." In contrast, Paragraph [0031] of Stewart later describes Figure 1 as "a schematic overview of a buyer registration process." Clearly, a "typical metals industry supply chain" is distinct from a "buyer registration process." Thus, what one of ordinary skill in the art would take from Stewart is minimal, if anything. Further, any efforts by Examiner to remedy or clarify the internal inconsistencies of Stewart in making the present obviousness rejections or imputing structure to Stewart where no structure is disclosed at all thus improperly relies upon Applicant's specification as a hindsight guide to the effort. Despite Applicant noting these failings in Applicant's prior submission, the Examiner still has provided no explanation on the record describing how Stewart Figure 1 would be understood by a person of ordinary skill in the art to disclose a computer network of any type, let alone one having the specific structure and features recited in Applicant's claims.

In this regard, the Examiner has failed to establish a *prima facie* case to support the present obviousness rejections.

2. The art collectively fails to teach what is asserted by Examiner

The obviousness rejections also fail because the Stewart and Peterson references fail to teach various elements of Applicant's claims. There are a number of claimed features within new independent claims 63 and 65 that are not taught or suggested by Stewart or Peterson. These features are largely the same as various limitations contained within the prior pending

independent claims. With regard to the prior independent claims, the Office Action contends that Stewart teaches all of the claimed features except the “concept of facilitating transaction between an insurance business and an insurance customer … wherein the insurance business entity may access a plan configurator hosted on the … administrative server that allows the registered insurance entity to modify the details of the insurance products.” While Applicant agrees with the Examiner regarding these specific failings of Stewart, Applicant does not agree that it teaches the network structure recited elsewhere in Applicant’s claims as previously presented and currently amended.

For example, all of the pending claims of the present application include the recitation of four different types system components that work together to produce a trusted market place. Those components include a one or more business entity networks, a central administrator server, a plurality of networked entity networks, and a plurality of networked consumer interfaces for each networked entity network. The business entity networks and networked entity networks are in electronic communication with the central administrator server and have authentication systems that enable secure communications and transactions to take place. The networked consumer interfaces communicate with the central administrator server securely via their respective networked entity network. Applicant respectfully submits that Stewart does not disclose or suggest any type of network structure, let alone a four component system including a networked entity network as recited in independent claims 63 and 65.

Furthermore, Stewart discloses only two types of entities that use its online marketplace: buyers and sellers. See Stewart ¶ 20 (“[A]n interactive on-line steel marketplace is provided for *buyers and sellers* within the steel industry.” (emphasis added)); Stewart ¶ 24 (“The community members are categorized into one of *seller* members and *buyer* members . . .” (emphasis added)). Thus, in Stewart there are exactly two, and only two, types of entities: buyers and sellers. No disclosure or suggestion is provided with regard to adding additional entities, and, likewise, no disclosure or suggestion is provided with regard to how to implement the addition of such additional entities.

In contrast, claims 63 and 65 of the present invention recite three distinct types of entities: group benefits providers (i.e., sellers of group benefits plans) that are each associated with and utilize a business entity network, employees (i.e., individual purchasers of the group benefits plans) that utilize the networked consumer interfaces, and employers of the employees

(i.e., the collective negotiator and endorser of group benefits plans) that are associated with an utilize the networked entity networks. As recited in Applicant's claims, the group benefits provider provides the group benefits plan, the employers endorse certain group benefits plans (effectively deciding what plans, including related goods and/or services, are available to its employees), and the employees make selections on the endorsed group benefits plans of their respective employer. Applicant respectfully submits that Stewart does not teach an employer/employee relationship at all, let alone the employer endorsing a group benefits plan on behalf of its employees. Further, Stewart does not teach or otherwise suggest any of the structure recited within Applicant's claims for enabling these type of transactions to occur effectively.

The various portions of the text of Stewart specifically cited by the Examiner in support of its allegations of obviousness provide no basis for establishing a *prima facie* obviousness rejection. For example, the Office Action cites at various times paragraphs 26, 27, and 40-83 of Stewart as teaching a method where registered networked entities selectively access the details of the group benefits plans provided by a registered business entity and endorse the group benefits plans. Careful review of the cited paragraphs of Stewart show that they have nothing to do with group benefits plans or networked entities. As quoted in full in Applicant's prior paper, the cited paragraphs of Stewart describe teach an "auction mechanism" and a buyer paying for an item on credit. Applicant respectfully submits that a disclosure of buying an auctioned item on credit does not teach or suggest the feature of allowing a networked entity to endorse a group benefits plan provided by a group benefits provider. Thus, Stewart does not teach or suggest a networked entity network and its use in endorsing group benefits plans as recited in Applicant's present claims.

As Applicant has explained in previously, the four component system utilized in Applicant's invention provides several unique benefits. A networked entity network (e.g., of an employer) can be used to provide a group benefits plan to a set of individual networked consumers (i.e., its employees) without violating the privacy of those individuals, because the employer does not access the details of individual networked consumer plans. Further, the group benefits provider can ensure that only the registered networked consumers belonging to the networked entity network (i.e., employees of the employer) are allowed to select benefits, because the additional access requirement of having authorized access to the networked entity network (i.e., the employer's internal computer system) properly identifies such registered

networked consumers. Stewart does not teach or disclose these features, nor does Stewart provide the advantages or suggest the advantages of such a system. Therefore, both claims 63 and 65 are distinguishable over Stewart.

Further, Peterson does not remedy the deficiencies of Stewart with respect to prior claim 16. The Office Action characterizes Peterson as “facilitating transaction between an insurance business and an insurance customer.” Assuming, without conceding, that this characterization is accurate, Peterson does not disclose the feature of a networked entity network or the structure recited in Applicant’s claims that capitalize on the inherent security features utilized by the various employers to make certain that only their employees have access to the network entity network via the networked consumer interfaces. Peterson teaches uploading transactions from a portable computer to a home office computer, where the single computer belongs to the same entity (i.e., insurance company) as the home office computer. In particular, Peterson teaches a “system for registering insurance agent transactions into a portable computer in the field and for communicating the insurance agent transactions to a home office.” Peterson, col. 1, ll. 55-57. Peterson addresses the situation where “insurance agents in certain parts of the United States occasionally visit their customers, at home or at work, and transact insurance business at such remote locations from the insurance agent’s office.” Peterson, col. 1, ll. 10-13. Thus, Peterson teaches insurance customers completing transactions in person through an insurance agent, followed by the agent uploading those transactions from a portable computer to a home office computer. This is clearly not the endorsing of group benefit plans by a employer on behalf of its employees using a trusted market place as described in Applicant’s present claims 63 and 65.

Because neither Stewart nor Peterson teach or suggest these various features, most notably the feature of a “networked entity network” that enables employers to endorse group benefits plans in particular, the combination of Stewart and Peterson does not teach or render obvious the various features of the invention as claims. Therefore, all claims are distinguishable over the combination of Stewart and Peterson.

Ashton is relied upon by the Office Action apparently only for the proposition that systems for administration of group benefits plans are known. However, careful review of Ashton confirms that it also fails to teach the same features lacking in both Stewart and Peterson. Namely, Ashton provides no disclosure or suggestion of the four component trusted market place system recited in all of Applicant’s claims, including the feature of a “networked entity network”

that enables employers to endorse group benefits plans on behalf of its respective employees, and then allow those employees to use the networked entity network to securely access details regarding and to conduct transactions regarding the endorsed plans.

Thus, all claims are patentable over the combined teachings of Stewart and Peterson in further view of Ashton. Reconsideration and removal of all obviousness rejections applying this art is thus respectfully requested.

B. There is no motivation to combine Stewart and Peterson

“There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of the persons of ordinary skill in the art.” *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998). Applicant respectfully submits that the Examiner relies on none of these, as no rationale is provided in the Office Action for making the asserted combinations. Moreover, “the examiner must show reasons why the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed.” *Id.* In this case, Examiner has merely presented conclusory statements that Stewart and Peterson could be combined, without even an attempt to offer reasons why one of ordinary skill in the art would select Stewart and Peterson in order to address the same problems as the present invention.

Examiner has suggested as a motivation for combining Stewart and Peterson in the Office Action that:

it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the inventive concept of Stewart et al’s to include Peterson’s concept of facilitating transaction between an insurance business and a system wherein the registered insurance business entity may access a plan configurator hosted on the [sic] administrative server that allows the registered insurance entity to modify the details of the insurance products because this would provide a *central data storage element*, for processing customer transaction information to provide updated insurance information pertaining to a particular insurance product.

Office Action at pg. 9. Applicant respectfully submits that this suggested motivation is

insufficient for at least three reasons: 1) adding a central data storage element to Stewart is not desirable because Stewart already has a central data storage element; 2) the Examiner fails to explain why it would be desirable to add “updated insurance information pertaining to a particular insurance product” to Stewart’s online steel products marketplace, but rather merely concludes it as being so; and 3) the Examiner uses impermissible hindsight to pick and choose features from the applied references in an attempt to arrive at the present invention.

Applicant respectfully submits that there is no suggestion of desirability, either explicit or implicit, of providing “updated insurance information pertaining to a particular insurance product” to an “interactive on-line steel marketplace . . . for buyers and sellers within the *steel* industry,” *see Stewart*, ¶ 20 (emphasis added), because Stewart and Peterson solve completely different problems in completely different subject matters. “Within the steel industry, for both producers and reprocessors, the steel product marketplace presents *unique characteristics*.” *Stewart*, ¶ 88 (emphasis added). The metals industry involves a complex chain of commerce, including raw materials producers, mills for producing metal products, four levels of intermediary processors, and end buyers. *Stewart*, ¶¶ 6-9. In contrast, the insurance industry has insurance providers and consumers.

Moreover, combining Stewart and Peterson to produce Applicant’s invention as claimed would “require a substantial reconstruction and redesign of the elements shown in” *Stewart*, and would also change the basic principle under which *Stewart* was “designed to operate,” which is impermissible under § 103. *See In re Ratti*, 270 F.2d 810, 813 (C.C.P.A. 1959). As explained above, *Stewart* provides an online marketplace for an industry with a complicated, multi-level stream of commerce. In contrast, *Peterson* “relates to a system for registering insurance transactions and communicating the insurance transactions to the home office computer of an insurance company.” (col. 1, ll. 7-10). Modifying *Stewart* to adopt *Peterson*’s teaching of “facilitating transaction between an insurance business and an insurance customer” would completely change the nature of the online marketplace of *Stewart*. *Peterson* is tailored to the needs of that portion of the insurance industry where policies are sold by local insurance agents, and is intended to avoid the errors that occur in transcribing transactions manually. *See Peterson*, col. 1, ll. 17-24. Neither *Stewart* nor *Peterson* contains a suggestion that an online marketplace like that allegedly disclosed in *Stewart* would be desirable for the insurance industry. Further, the Examiner has failed to explain why the insurance industry would benefit from *Stewart*’s

online marketplace beyond a mere assertion of desirability.

Thus, the only possible suggestion for combining Stewart with Peterson comes from the present application, and such a suggestion is an impermissible use of hindsight. MPEP 2143.

III. CONCLUSION

In view of the foregoing, Applicant submits that the present application now stands in condition for allowance. Favorable reconsideration and prompt allowance are earnestly solicited.

Should the Examiner believe that anything further is necessary to place the present application in even better condition for allowance, the Examiner is invited to contact Applicant's representative at the telephone number listed below.

Respectfully submitted,

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